

Moran's Message on Economic Stabilization Act of 2008

Note: Congressman Jerry Moran sent the following message prior to the House vote on the Economic Stabilization Act of 2008 to approximately 16,000 email addresses subscribed to 'This Week in Congress,' his weekly newsletter. Later that day, the legislation passed in the House 263-171.

Dear Friend:

The \$700 billion bailout package before Congress this week has generated concerns from thousands of Kansans. Thank you for sharing your thoughts by phone, email and in visiting with me in person.

Earlier this week, I voted "No." This package, authored by the Bush Administration, was wallpapered over by the House Leadership in an attempt to make it more acceptable to Members. The bill failed in the House, so the Senate considered similar legislation on Wednesday. The Senate did the same thing-- adding unrelated tax provisions, but not changing the basic legislation. Because the bill passed the Senate, it is now to be reconsidered by the House. If there are no significant changes, I will again vote "No."

Congress *does* need to address the country's economic circumstances. As best we can, we should prevent Kansas businesses and citizens from suffering the consequences of mistakes made on Wall Street. A proper financial reform package must protect the financial security of every American and address the liquidity problem that may make access to credit unnecessarily difficult.

I think a much more direct and less costly approach is needed. Throwing borrowed dollars at this problem is not a solution. It is irresponsible to further increase our country's already crippling debt - to \$11.3 trillion - to achieve a temporary and uncertain fix today. We can continue to spend recklessly, or face the problem head-on to create a better world not only for ourselves but for future generations.

I understand Kansans' concerns, that if this legislation is not supported, we will have no solution for our current economic problems. However, our economic challenges will not be appropriately addressed by supporting a bad plan just because of an absence of a better plan. Here is what I propose:

- Permanently raise the FDIC insurance cap from \$100,000 to \$250,000.
- Temporarily suspend the mark-to-market accounting rule for troubled assets issued before March 14, 2008. Current mark-to-market rules have left financial institutions with assets that on paper are valued less than they are actually worth.
- Authorize the Federal Reserve to guarantee repayment of interbank loans.

My position on this issue has nothing to do with Republican and Democrat politics. I work hard at keeping in touch with Kansans and try to do what is right, not just what is politically popular. I understand there are some who will disagree with my vote. I value your thoughts and will continue to work for the people of Kansas to the best of my ability.

Very truly yours,

Jerry